

STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

BRENNON T. MORIOKA  
INTERIM DIRECTOR

Deputy Directors  
MICHAEL D. FORMBY  
FRANCIS PAUL KEENO  
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

CONSENT TO ASSIGNMENT OF STATE LEASE NO. DOT-A-00-0004  
COX AVIATION, INC. TO SKY RIVER HOLDINGS LLC  
HONOLULU INTERNATIONAL AIRPORT

OAHU

REQUEST:

Consent to Assignment of State Lease No. DOT-A-00-0004 from Cox Aviation, Inc., as Lessee/Assignor, to Sky River Holdings LLC, as Assignee, South Ramp, Honolulu International Airport

LEGAL REFERENCE:

Subsection 171-36(a) (5) (B), Hawaii Revised Statutes, as amended

APPLICANTS:

LESSEE/ASSIGNOR: Cox Aviation, Inc., a Delaware corporation, having a mailing address at 140 Kaulele Place, Honolulu, Hawaii 96819

ASSIGNEE: Sky River Holdings LLC, a Delaware limited liability company, having a mailing address at 720 University Avenue, Suite 200, Los Gatos, California 95032

AREA:

Area/Space No. 009-164, containing a land area of approximately 25,913 square feet as shown on the attached Exhibit B

LOCATION AND TAX MAP KEY:

Portion of Honolulu International Airport, Honolulu, Island of Oahu, identified by Tax Map Key: 1<sup>st</sup> Division, 1-1-72:37

ZONING:

State Land Use District: Urban District  
City and County of Honolulu: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) lands ("non-ceded" lands) of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_\_ NO X

CURRENT USE STATUS:

Land presently encumbered by Governor's Executive Order No. 3201, setting aside a portion of Honolulu International Airport under the control and management of the Department of Transportation, Airports Division, State of Hawaii, for Airport Purposes.

CHARACTER OF USE:

Development, construction, operation, and maintenance of a hangar facility

TERM OF LEASE:

Twenty-five (25) years commencing on October 1, 2000 and terminating on September 30, 2025

ANNUAL GROUND LEASE RENTAL:

\$43,792.96 per annum, payable in quarterly installments of \$10,948.24

REOPENING OF ANNUAL GROUND LEASE RENTAL:

Remaining Three, 5-Year Rent Reopening Periods: The reopening annual ground lease rental for the remaining three, 5-year rent reopening periods shall be no greater than a rate of 120% times the rate of the last year of the preceding (5)-year period, provided however, that should the fair market rental as determined by an independent appraiser whose services shall be contracted for and paid by the Department of Transportation at the time of reopening determine a ground rate less than the 120%, then the ground rate for the reopening (5)-year period shall be the rate determined by the independent appraiser.

CONSIDERATION:

\$3,575,000.00

RECOMMENDED PREMIUM:

\$732,858.00

DCCA VERIFICATION:

LESSEE / ASSIGNOR:

Place of business registration confirmed:	YES <u>X</u>	NO <u>    </u>
Registered business name confirmed:	YES <u>X</u>	NO <u>    </u>
Good standing confirmed:	YES <u>X</u>	NO <u>    </u>

ASSIGNEE:

Place of business registration confirmed:	YES <u>X</u>	NO <u>    </u>
Registered business name confirmed:	YES <u>X</u>	NO <u>    </u>
Good standing confirmed:	YES <u>X</u>	NO <u>    </u>

REMARKS:

By way of a letter dated September 4, 2007 from Mr. Randall R. Smith, Esq., representing Cox Aviation, Inc. (CAI), CAI requested that the DOT-A consent to an assignment of State Lease No. DOT-A-00-0004 (Lease) from CAI to Sky River Holdings LLC. An Agreement for Assignment and Assumption of Lease and Sale of Hangar Facility Improvements and Personal Property, executed by the parties on October 23, 2007, establishes a closing date of the assignment of lease two hundred seventy (270) days following August 15, 2007.

RECOMMENDATION:

That the Board approves of and gives its consent to the Assignment of Lease No. DOT-A-00-0004 as herein outlined, subject to: (1) such terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (2) review and approval of the Department of the Attorney General as to the form and content of the Lessor's Consent to the Assignment of Lease No. DOT-A-00-0004.

BLNR – Consent to Assignment, Lease No. DOT-A-00-0004  
Cox Aviation, Inc. to Sky River Holdings LLC  
Page 4

Respectfully submitted,

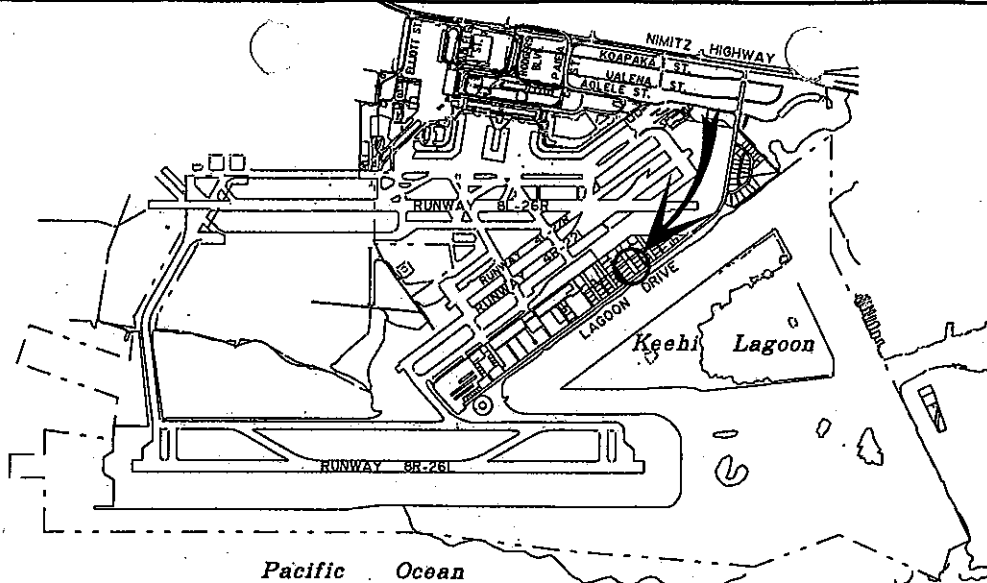
A handwritten signature in black ink, appearing to read 'B. Morioka', with a long horizontal flourish extending to the right.

BRENNON T. MORIOKA, Ph.D., P.E.  
Interim Director of Transportation

APPROVED FOR SUBMITTAL:

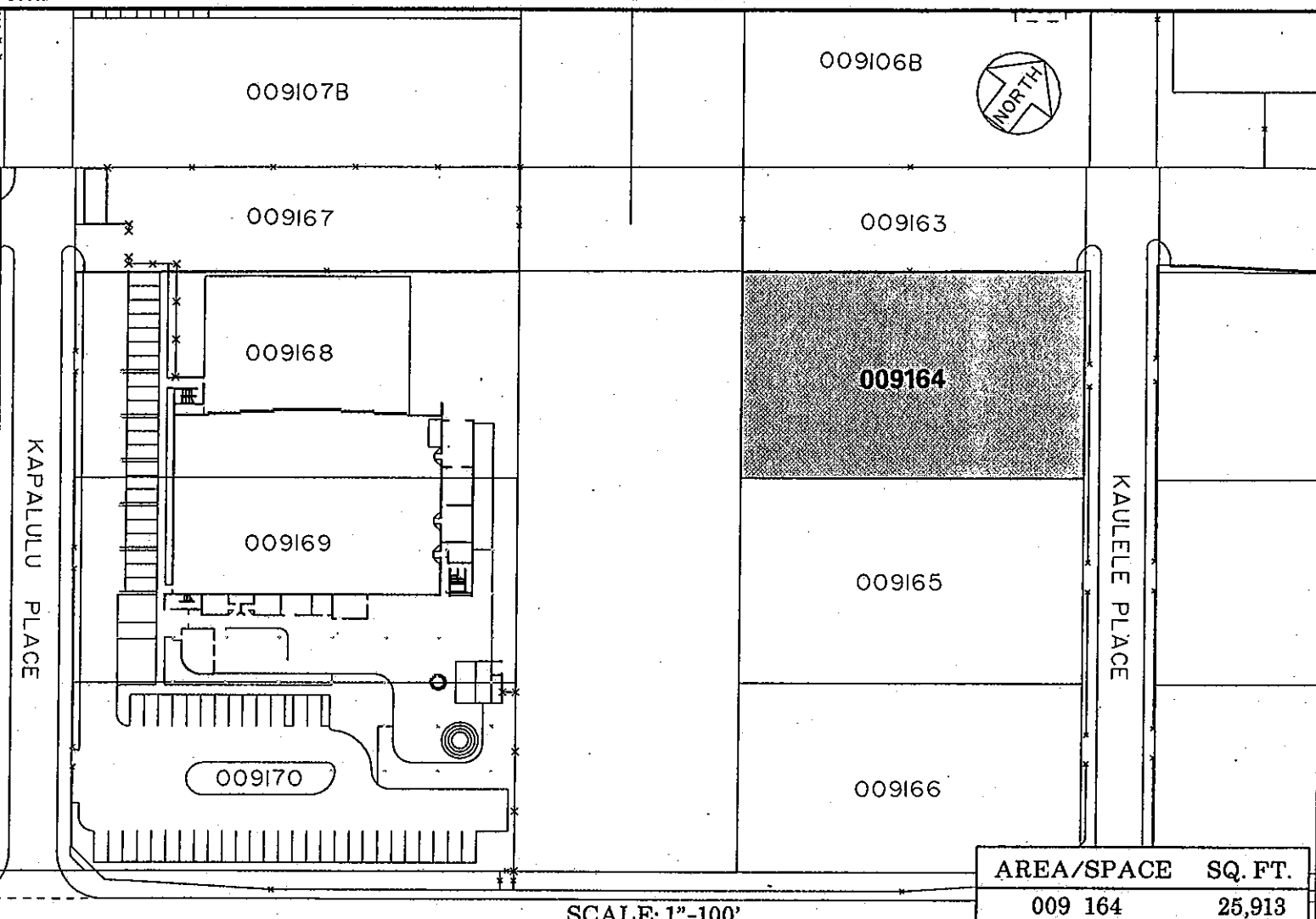
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LAURA H. THIELEN  
Chairperson and Member



**LOCATION PLAN**

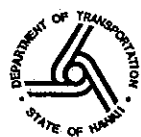
5000:



AREA/SPACE	SQ. FT.
009 164	25,913

DATE: NOVEMBER, 1999

EXHIBIT **B**



Airports Division

COX AVIATION, INC.

GENERAL AVIATION  
SOUTH RAMP AREA

009164

PLAT 36

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**HONOLULU INTERNATIONAL AIRPORT**